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Today's Best Real Estate Buys Are In Stocks

While Most Properties Are Overpriced, Many Realty Stocks Still 'Sleep Cheap'

W e once knew an ad man who rattled a client by proposing the fledgling budget motel chain use the phrase "Sleep Cheap" to promote its no-frills units.

After a long and awkward pause — those were the days when no self-respecting operator branded its product as "cheap" — the chain started plastering American road-sides with billboards proclaiming in large red letters, "SLEEP CHEAP — Red Roof Inns, next right."

That bold ad slogan ran for 20 years and helped Red Roof Inns become a budget motel powerhouse in the Midwest and East. Only this past summer did Red Roof begin moving to a new slogan.

That slogan haunts us as we survey the REIT market now — there are a lot of cheap REITs that should help investors sleep well. Interestingly, the prophets and prognosticators appearing at last week's REIT industry convention in Los Angeles convinced us that realty stocks remain the best buy for investors (see our report, page 3).

Basically we see the current market as a major arbitrage between richly-priced properties and modest-to-cheaply priced realty stocks. Elements of that arbitrage:

Many realty stocks — and especially smaller, overlooked and under-researched stocks — sell at steep discounts from current asset value. We review two such situations, Duke Realty Investments and HMG/Courtland Properties Inc. on page 5.

Direct property markets in contrast are marked by inflated asking prices — ranging from merely exuberant for bread-and-butter properties to silly for trophy land-mark properties.

situation before: that the slowdown in new product production (which hasn't had much effect in many office markets), makes all existing and well-leased properties that much more valuable. That's one reason we've been bullish on the major seasoned equity REITs (see RSR, Oct. 14). If any one of them decided to liquidate, prices probably would move up for them as they have for Property Capital Trust.

But there's another, less obvious reason for high asking prices in the direct property market. More realty men are telling us that the 1986 Tax Act had the unintended effect of drying up selling in properties. You remember, the 1986 Act lowered the the basic Federal income tax rate to 28% but also upped capital gains rates to that same number, vs. 20% before. That simple move means there are fewer motivated sellers today — and those sellers want to recoup the higher tax by boosting sale prices. (As an aside, Presidential candidate George Bush is stumping for a return to the 20% capital gains rate.)

The market for realty stocks hasn't yet caught on to the wide arbitrage between values in the property and stock markets. That's why we think there's such a large potential in realty stocks today.

There are several ways to use REALTY STOCK REVIEW to get the best out of that potential. Inside we suggest two stocks that appear to be undervalued. The

Oct. 14 RSR pinpointed First Union Real Estate as an undervalued buy — despite the fact that Moody's Investors Service downgraded its debt rankings a notch even as we went to press. Moody's cited low occupancy levels at several centers and FUR's substantial investment in renovating and upgrading its shopping malls and office buildings — in other words, the very items that attract us to the stock make the debt less attractive.

A nother way to play this arbitrage is to follow RSR's Rankings. We don't say much about our Rankings, and in fact a high Ranking doesn't automatically mean that a stock is a buy. It is instead an assessment of long-term financial strength. But we recently compared price action of those stocks we Ranked A at the beginning of this year and found that investors in those issues came out far ahead of the market.

As a result, we plan to feature A Rankings more prominently in RSR and to make Ranking changes more frequently.

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CORRECTION: The table on page 1 of the Oct. 14 RSR scrambled the 1988 and 1989 cash flow estimates for two equity REITs. The correct estimates are:

	1988	1989	% Chng.
First Union	\$1.35	\$1.45	+ 7.4%
HRE Props.	1.80	1.87	+ 3.9%

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RANKING & PORTFOLIO CHANGES

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Health Care Prop. 3

Health Care REIT 2&3

M.D.C. Holdings 3

May Dept. Stores 2

NOW AVAILABLE: Our revised brochure describing the money management services of our Campbell Kunz Management Corp. subsidiary. Call or write for a copy

We've remarked on one aspect of this

Portfolio Selector of Stocks For Investment Goals

We list below stocks we currently recommend tailored to your specific investment goals. Buy (or sell) at or near prices on our publication date. We don't list specific buy or sell points to avoid conflict with money management clients.

The broad variety of securities included in RSR lets you target your holdings to your investment appetite, from very conservative to very aggressive; from high income to zero income; and from geographic regions and property types you desire.

We've listed securities under a number of headings (a security may appear in more than one list) that could fit into any one of

several possible investment strategies. Here is our current thinking on the principal investment strategies an investor might best follow in today's market:

Equity Property Investors: We've recently concluded statistical studies showing that equity REITs have returned investors a 13.4% compounded annual return over the 16 years 1972 thru 1987. That's 3.0% better than the S&P 500 compounded over the same span. That *includes* the dark days of the REIT collapse of the mid-1970s. The word "equity" seems to have a magic word in securities markets and so one sound approach would be to assemble a portfolio of the 35 Property Owners in the Portfolio Selector below.

If 35 stocks are too many for you, then pick the 20 stocks which we Rank as A, using the Rankings found in the statistical tables on pages 6-8. Or target owners in specific regions of the country or by product types.

Aggressive Recovery group is expanded this issue with addition of **Duke Realty** and **HMG/Courtland Properties** (see page 5). Deletions this month include:

Health Care REIT, for its steeper than expected dividend cut; and **May Dept. Stores**, for its sale of equity in shopping centers to a Prudential/Mel Simon joint venture that effectively reduces the attraction of May's shopping center holdings.

PORTFOLIO SELECTOR LIST OF REALTY STOCKS FOR CURRENT INVESTMENT

H=Hold L=Liquidating. Review/comment dates in parentheses. *Reviewed in Oct. issues. Additions or changes underlined.

OWNERS BY REGION

Northeast

*Federal Rl.(10/14/8)
Gould LP (1/9/7)
*New Plan Rl.(10/14/8)
Penn. REIT (7/8/8)
President'l Rl.(10/24/6)
Prudential Rl.(7/8/8)
Rock. Ctr.(9/9/8)
*Wash. REIT(10/14/8)

Midwest

Bradley RET(7/8/8)
Chicago Dock(7/8/8)
Dial REIT(9/23/8)
*Duke Rlty. (10/28/8)
MSA Realty (7/8/8)
South/Southwest
*IRT Prop.Co.(10/14/8)
Koger Prop.(3/25/8)
Prop.Tr.Am.(7/8/8)
Sizer Inv.(7/8/8)
Tram'l Crow(7/8/8) H
*Utd. Dom.Rl.(10/14/8)
*Weingart. Rl.(10/14/8)

Far West

BRE Prop.(7/8/8)
*BurnhamPac.(10/14/8)
Copley Props.(5/13/8)
REIT of Calif.(3/11/8)
*Sta. Anita Rl.(10/14/8)
*Wstn Inv.Tr.(10/14/8)

DIVERSIFIED PROPS.

Forest City (6/10/8)
*First Union(10/14/8)
*HRE Props.(10/14/8)
MCA Corp.(2/26/8)
MGI Props.(7/8/8)
Property Cap(8/26/8) H
Rouse Co. (6/10/8)
Santa Fe SP(5/27/8)

BY PROPERTY TYPE

Shopping Centers

*Federal Rlty(10/14/8)
*First Union(10/14/8)
*Intl. Inc. Pr.(10/14/8)
*IRT Prop.(10/14/8)
MSA Realty (7/8/8)
*New Plan Rl.(10/14/8)
Rouse Co.(6/10/8)
*Weingarten Rl.(10/14/8)
*Western Inv.RE(10/14/8)

Offices

*HRE Props.(10/14/8)
ICM Prop.Inv.(5/13/8)
Koger Prop.(3/25/8)
Property Cap(8/26/8) H
Prudential Rl(7/8/8)
Turner Eq.(5/27/8) H
Hotels/Specd.
Hotel Inv.(7/8&9/23/8) H

Medical

Health Care Pr.(8/12/8)

ENTREPRENEURIAL OWNERS

*Federal Rlty(10/14/8)
Gould Inv.LP(1/9/7)
Forest City Ent(6/10/8)
Koger Props.(3/25/8)
*New Plan Rl.(10/14/8)
Perini Inv.(4/22&7/22/8)
Rouse Co.(6/10/8)

MORTGAGES - INCOME

Fixed-rate

BRT Realty(5/13/8)

Participating

L&N Hsg. Corp.(5/13/8)
*Mel. Part.(5/13&10/28/8)
*Mtg. & Rlty.(9/9&10/28/8)
Mtg.Invest.Plus(9/9/8)
Realty South (4/24/7)
Rock. Ctr.(9/9/8)

LEASEBACKS - INCOME

Health Care Pr.(8/12/8)
*Meditrust (4/8&10/28/8)
One Lib.Pr.(6/24&9/23/8)

TAX-SHELTERED INC.

EQK Green Ac. (4/11/8)

*EQK Rlty. (10/14/8)
Equit.REShop.(8/12/8)
Koger Pr.(3/25/8)
MSA Realty(7/8/8)
Rock. Ctr.(9/9/8)
Shopco Laurel(8/12/8)
Turner Eq.(5/27/8) H

NOTABLE NEWCOMERS

Copley Prop.(5/13/8)
Merry Land(9/9/8)
Ridgewood Pr.(2/28/6)
*Weingarten Rl.(10/14/8)

FINANCIAL SERVICE

Ameribanc Inv.Gr.(9/23/8)
Lomas & Net.Fin.(5/13/8)
Unicorp Amer. (7/10/7)

AGGRESSIVE RECOVERY

Ameri. Hot(4/8/8) H-L
CleveTrust Rl.(8/12/8)
*Duke Rlty. (10/28/8)
Fairfield Comm(6/10/8)
*HMG Prop.(10/28/8)
Integrated Res.(9/11/7)
Linpro.(10/9&11/20/7)
MONY Rl.Est.(5/13/8)
Natl.Realty(8/12/8)

Reading Co.(4/22&9/23/8)
Travelers REIT(9/9/8)
Travelers Rl.In.(9/9/8)
U.S.Home (4/10&6/26/7)
Wills Far.Mt.(5/13&6/24/8)

ASBESTOS

ABATEMENT

Control Res.(9/25/7)
LVI Group (9/25/7)

BUILDERS & DEVELOPERS

Houses/Mfg.Hsg.

Hovnanian Ent(6/10/8)
K&B Home (6/10/8)
Leisure Tech.(6/10/8)
Lennar Cp.(6/10/8)
Oriole Hm.(3/27/7)
Ryland (3/27/7)
Std. Pacific(8/8/6)
Income Props.
Koger Prop.(3/25/8)
Commun.Bldrs./Land
Amrep Corp.(6/10/8) H
Cousins Prop.(7/8/8)
Genl.Dev.(6/10&7/22/8)H
Inter. Gen.(4/8/8)
Major Realty(5/27/8)
Newhall Land(5/27/8)

Realty Stock Review

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Pension Envy: REITs' Pursuit of Institutions Ignores Small Investors

REIT execs were a little giddy at a just-concluded conference over the resurgence of the industry in 1988, but we came away with mixed forecasts for the coming year.

The talk at the National Association of Real Estate Investment Trusts convention in Los Angeles made one thing clear: the REIT industry is suffering from "pension envy." Trust officials and Wall Street types are obsessed with coaxing pension funds, insurance companies and other big money pools to jump into the REIT market to the same degree they invest in other parts of the equities markets. While institutions control 75% or more of many market sectors, they own just 20% of REIT stocks. Greater access to those huge capital pools could let REITs expand more quickly and ease the arduous process of raising money for new and existing REITs.

Curiously, however, barely a word was spoken about the force that has driven the REIT market for years: individual investors. Despite two decades of loyalty to the REIT market, small investors simply aren't where it's at today. Even in good times, it's tough for new, small or unknown REITs to raise cash through retail brokers. But since the October 1987 crash, small investors have become far less active, with many fleeing the market entirely.

This nearly single-minded pursuit of institutions could hurt both individual investors and the industry. Brokerage house analysis of second-tier trusts has already been curtailed and may evaporate because they are too small for institutions to buy without sharply moving the stock price.

That will make it tough both for investors seeking information and small REITs trying to raise money. (REALTY STOCK REVIEW is geared to fill this information gap for individual investors.) Already, new REITs coming onto the market are being structured to generate high initial dividend yields rather than appreciation. That tactic is a misguided attempt to entice short-term oriented money managers and individual investors looking for the highest possible yield regardless of the quality of its source. (See page 4 for news on the failure of one recent REIT offering and the success of a second.)

We note that the institutional mania of the markets is one reason retail customers are disappearing. Many small investors believe they are the patsies in Wall Street's accelerating pursuit of multi-billion dollar takeovers and LBOs and accompanying insider dealings. If the game looks rigged, you don't start throwing dice in a back alley.

The chase for institutional money will likely bring one benefit to individuals. In the long run, institutions won't buy on the basis of mere sizzle, so new REITs looking for the big money will have to be higher quality offerings. Rather than being filled with mature, fully-occupied properties that the sponsor merely wants to get off its books, institutional-quality portfolios will be composed of healthy but perhaps 80% occupied buildings that have some upside potential. Investment bankers will be coaxing private companies that already have an operating history to go public by converting to REITs. And per-

haps most importantly, sponsors will disclose detailed property histories and lease structures far beyond limited SEC requirements to satisfy money managers.

The need for quality product to suit institutions was best noted by Fidelity Investments, the giant mutual fund manager that buys REIT stocks for its real estate income fund and a broad equity fund. When an investment banker declared that 1989 could be a repeat of 1985, in which a strong REIT market spawned 27 new issues, Fidelity portfolio manager Barry Greenfield countered that he'd rather not see another year like 1985. The class of '85 was littered with smaller inferior-grade REITs conforming more to the needs of investment bankers' clients than those of long-term investors. Of those 27 alumni, just 2 are trading above their offering price (Health Care Properties and Weingarten Realty). Two trusts have liquidated, one is in the

Small investors just aren't where it's at today. This nearly single-minded pursuit of institutions could hurt both individual investors and the industry

process of merging, and the other 22 are still selling below offer price.

Even a huge increase in institutional investment shouldn't alter your investment goals. Institutions already in the REIT market are using roughly the same targets that we have been recommending. Money managers speaking at the convention showed that most are seeking a total return — dividends plus price appreciation — of 13%-15% annually on their REIT investments, with the lower level going only to the highest quality operators. One manager declared that he only invests in REITs that offer a 20% annual return, but other managers generally called that an unrealistic goal for a broad portfolio.

Forecasts for the real estate market were equally mixed. Karen Knudsen, a real estate portfolio manager for Bailard, Biehl & Kaiser of Menlo Park, Calif., is bearish on real estate. Knudsen sees the economy shifting into a slow-growth mode that will

CONTINUED ON PAGE 4

Sleep Cheap cont. from Page 1
Here are the results of our tally for 1988 thru our Oct. 26 pricing date:

--- % Total Return From ---			
	Price	Div	Total
22 REITS	+11.2%	7.0%	+18.2%
12 Op. Cos.	+23.7	3.6	+27.3
All A Ranks	+15.7	5.8	+21.5%
S&P 500	+13.9%	3.1%	+16.9%

We are reducing **Health Care REIT** from A to B Rank due to its recent 14%

dividend cut, reflecting problems in some nursing homes; **M.D.C. Holdings**, Denver based multi-market homebuilder, from A to C Rank because weak Sunbelt markets are eroding profits; and **Equitec Financial Group**, From A to C Rank because of weakening financials in its property management division.

Health Care Property Investors is boosted to A Rank from B reflecting its strong financials and recent 2% dividend increase to a \$2.71 annual rate.

Pension Cont. from page 3

cut returns in real estate. She has slashed the allocation of her clients' investment in direct real estate and REITs to just 5%, from a bullish 15% last year.

Saul Rabin, research director of Los Angeles' TCW Realty Advisers, is equally gloomy about office markets nationwide. Rabin believes that the office market is shifting into a long-term overbuilding cycle, with strong markets getting weaker as developers and lenders try to capitalize on temporary strength.

Nationwide, office space is 19.7% vacant compared with 5% in 1983, yet new construction is still matching current absorption. About 486 mil. SF is vacant and being absorbed at the rate of 105 mil. SF per year. Yet 167 mil. SF of new space is under construction, 59% more than annual demand. The problem, Rabin said, is that too much lending power and development talent is chasing too little demand.

Although new office construction is not so much of a problem for shell-shocked markets in the Southwest, the news is no better there. Despite an impending economic recovery, however, Rabin believes many Southwest markets will remain glutted for years. For example, Houston's 35% vacancy rate represents 48 mil. SF of empty space. But annual absorption is running at just 700,000 SF, so even if demand triples or quadruples, Houston is still many years away from being a healthy office market.

Despite the negativism, other participants saw many opportunities in real estate. Retail space and apartments are getting stronger, as is industrial and warehouse space. Also, certain regions such as the West Coast are booming despite the seemingly hysterical buying. And virtually every REIT exec we spoke with complained they are having a tough time finding quality properties carrying acceptably high yields. These forecasts reinforce our emphasis on REITs with strong, seasoned operators or those whose stock price is sharply below the true value of the underlying real estate. Two examples follow on page 5.

Resort REIT Debuts; Cardinal Plucked

One new REIT, Resort Income Investors, Inc. came public Oct. 26. The key was a 12% yield for three years guaranteed by Hawaiian hotel man Chris Hemmeter. Even the guaranteed yield couldn't prevent the deal from being scaled back by 40%, from 6.0 mil. to 3.6 mil. shares sold at \$12.50/sh. Shares are listed as RII on the AMEX.

The \$45 mil. gross proceeds will go to fund pre-development costs of resort properties in Hawaii, St. Maarten's, and California. An important ingredient was Hemmeter's prowess in developing other Hawaiian resorts; in two previous instances, hotels he built costing \$75 mil. were worth about \$320 mil. in seven years. Paine Webber Inc. led RII's offering.

Cardinal Investment Properties Inc. was not so fortunate. Underwriters led by Alex Brown & Sons Inc. (which has a strong record in underwriting soundly conceived REITs) pulled a proposed offering of 2.08 mil. shs. at \$20/sh. this week. The issue had been scaled back from 3.325 mil. shares and the initial yield boosted from 9.5% to 10.0%. And in an unusual effort to keep Cardinal shares from going to a discount, Alex Brown had succeeded in getting sponsor Cardinal Industries Inc. to set aside \$4 mil. to buy shares in the after-market. Cardinal is the nation's largest modular house producer with 13,000 units sold last year. As result of the offering's failure, Alex Brown probably has far less appetite to bring other new REITs to market.

Dividends: 12 stocks up, six trim payout

This is the season when many REITs and realty companies want to signal their confidence for the coming year by boosting payout. A dozen companies increased payout by an average 5.9% this past month. On the downside, three cut payouts, one omitted, and two CMOREITs switched to monthly payouts that amounted to cuts. Overall payout rose 1.0% for these 18 declarers. Our tally of dividend actions:

DIVIDEND INCREASES

	Annual Rate— %		
	Prev.	New	Chng.
Amer. Hlth. Prop.	\$2.08	\$2.12	+1.9%
Boddie-Noel Prp.	1.32	1.36	+3.0
Calif. REIT	0.32	0.40	+25.0
Fed. Nat. Mtg.	0.72	0.96	+33.3
Hlth. Care Prop.	2.66	2.71	+1.9
Healthvest	2.56	2.60	+1.6
Koger Props.	2.60	2.80	+7.7
Meditrust	1.92	1.96	+8.7
Mellon Part Mtg.	0.92	1.00	+8.7
Mtg. & Rlty.	1.96	2.00	+2.1
Newhall L&F	1.00	1.20	+20.0
Utd. Dominion	1.08	1.16	+7.4
TOTALS	\$19.14	\$20.27	+5.9%

DIVIDEND REDUCTIONS

	Annual Rate— %		
	Prev.	New	Chng.
Burger King Prop.	\$1.88	\$1.80	-4.3%
Farragut Mtg.	0.20	None	-100.0
Health Care REIT	1.76	1.52	-13.6
M.D.C. Asset Inv.	2.80	2.76M	-1.4
RAC Mtg. Inv.	1.60	1.44M	-10.0
Resid. Mtg. Inv.	0.80	0.68	-15.0
TOTALS	\$9.04	\$8.20	-9.3%

NET INCREASE \$28.18 \$28.47 +1%
M-Monthly rate annualized.

APPRAISED ASSET VALUE COMPARISONS

QUALIFIED REITS	DATE	APP. % PRICE	
		VALUE/ SHARE	TO APP. VALUE
BRE PROPERTIES	7/88	\$35.50a	-14.1%
CEDAR IMC FUND I	12/87	8.92	-15.9%
COPLEY PROPS	12/87	22.88	-19.1%
DUKE RLTY INVST	11/88	8.70	-31.0%
EQK RLTY INV I	12/87	18.10	-30.9%
GRUB&ELLS REIT	12/87	9.07	-21.4%
INTI, INCOME PR	12/87	18.26	-26.1%
JMB REALTY	8/87	18.87	-15.2%
MONY RL EST INV	5/88	10.34a	-19.0%
MSA REALTY CORP	12/87	10.20	-9.3%
NEW PLAN RLY TR	7/87	16.08	-6.7%
PRU RL CAPITAL	12/87	2.31	-40.5%
SANTA ANITA	6/87	26.46	-24.7%
SIERA CAP RLY IV	12/87	7.88	-19.1%
SIERRA RE EQ83	12/87	10.11	-40.7%
SIERRA RE EQ84	12/87	8.40	-22.6%
TRAML CROW REI	12/87	13.11	-31.4%
TRAV. RLTY INC	6/88	11.65	-16.3%
USP RL EST INV	12/87	11.73	-30.7%
AVERAGE			-20.3%

OPERATING COMPANIES

BAY FINCL CORP	5/88	\$26.02	-51.0%
CENTENNIAL GRP	12/86	7.71	-48.1%
EQK GRN ACRES	12/87	13.31	-5.1%
FORUM RETPFD UN	12/87	10.89	-31.1%
MAJOR REALTY	9/87	22.00	-54.5%
NEWHALL LAND	12/87	37.72	-18.0%
PERINI INV PR	6/88	23.25	-27.4%
ROUSE CO.	12/87	27.13	-11.5%
SOUTHWEST RLTY	12/87	7.72	-85.4%
AVERAGE			-32.9%

Appraised market values of properties held are reported publicly by companies. Values are estimated by management and concurred in by independent appraisers except for: New Plan, management est. only. Share values are fully diluted.

a-Entity has not revalued mortgages.

Two REITs Sell At Steep Discounts

HMG/Courtland Properties Inc. trades at a 44% discount to book value — and one answer is that the stock trades by appointment, even tho it's listed on the ASE. Recent quotes of \$12.75 are 44% below HMG's \$22.73/sh. book value.

Consider: HMG trading averages less than 900 shares daily in 1988. On many days it doesn't open. Yet that sluggish trading volume equals about 40% of HMG's float on an annualized basis.

That means HMG has already been discovered by some savvy insiders, with two separate groups owning about 56% of the stock (41% by management, 15% by an unrelated family).

Does that make HMG shares any less attractive for other investors? Not at all, in our opinion. The stock market abhors a vacuum, so the steep discount probably means that sooner or later something will happen to close that gap. Because this huge HMG gap is relatively new, many investors haven't focused on it yet. It resulted from a Feb. 1988 sale by a 51%-owned joint venture of a Miami area shopping center and land that brought \$10.73/sh. in gains and taxloss benefits. The sale caused traders to bid the stock to \$15.38 in late June. But disappointment that nothing happened immediately after the Feb. sale brought profit-taking and dropped quotes below \$13.

What's left in HMG? First, cash and equivalents equal \$7.67/sh., which is offset by \$2.90/sh. net taxes payable on the sale. HMG also holds \$15.5 mil. commercial income properties; \$10.8 mil. land held for development; \$4.1 mil. investments in joint ventures and partnerships; and \$5.2 mil. mortgages, of which about \$1.1 mil. is nonearning.

Properties include a 96.6% interest in Four Sugar Grove, a 128,000 sq. ft. office in Stafford, Tex. outside Houston, now 65% leased; 65% interest in 31 retail stores leased to the Grossman's Inc. do-it-yourself chain; 40% interest in a hotel/club facility on Grove Isle in Miami's Biscayne Bay; and smaller offices and warehouses

in Mass., Fla., Pa., and New York. Land includes tracts in Houston, Miami, Puerto Rico, Jacksonville, and Orlando. Liabilities include \$13.1 mil. mortgages and notes.

Since HMG's properties and joint ventures are carried at historical cost, we think it's logical that gains in some holdings (e.g., the Grossman's retail stores) would balance any unrealized losses (e.g., perhaps the Sugar Grove office). On that basis we think the 44% discount to book value is real, and that this discount will be closed sooner or later. Buy.

Duke Realty Investments (DRE-NYSE) is a Midwest equity REIT whose shares are now trading below their lowest price during last year's market crash. While this Duke ain't no John Wayne, we believe DRE's depressed stock price, 31% discount to current value, and accompanying 11.3% yield make it a bargain.

DRE officials place the market value of its real estate portfolio at \$8.70/sh., adjusted for a group of properties to be purchased Nov. 30. But because of a series of market misunderstandings, DRE stock is trading at \$6.00. Once the market catches on to DRE's recent restructuring and newfound stability, we believe the stock will rise closer to net asset value.

DRE came public in 1986 as a closed-end, finite-life REIT with an odd capital structure that the market came to hate. DRE's shares were sold in \$10 units of one income share (\$8) that would receive all regular cash flow and one capital share (\$2) that would only participate in capital gains from a planned 1996 liquidation; the structure was designed to eliminate after-market discount on share prices.

As the capital shares traded, however, DRE discovered that REIT investors weren't all that interested in a stock that yielded zero income for 10 years. Then in 1986 Congress ended the advantage of capital gains income vs. dividend income. Further, income investors watched DRE's dividend slide 16% from \$0.81 to \$0.68 annual rate in just 18 months. Both classes

of DRE stock went south, with the package falling to 23% below the offering price before Black Monday, and to more than 40% below by the time DRE restructured in August.

On August 15, DRE restructured into a conventional REIT, swapping both income and capital shares for 8.6 mil. common shares. Just as important, the reorganization also converted the trust into an open-end, infinite-life REIT. DRE intends continuing its \$0.68 quarterly dividend on the new shares — but financial reporting services haven't posted any dividend because DRE is treated as a "new stock". Moreover, "new" DRE's first declaration of \$0.085 dividend for the second half of the Sept. qtr. likely will be reported as a 50% cut in most statistical tables, until payout for the full Dec. qtr. is declared sometime early in 1989. And to really confuse you, some old income shareholders are miffed by the change and are selling. Hence the stock price of \$6 and the big discount.

The restructuring will allow DRE to actively manage its portfolio by buying and selling properties rather than simply managing leases in a fixed pool of buildings. DRE owns a portfolio of retail, industrial and office properties concentrated around Indianapolis and Cincinnati. In November DRE will add 12 new properties to the 20 it already owns. DRE will add substantial leverage for the first time by borrowing \$69 mil. for the new properties, which will be bought from the sponsor/advisor, an Indianapolis developer. DRE's expanded portfolio will be divided:

Office	826,340 SF	40.6%
Retail	427,400 SF	21%
Industrial	782,370 SF	38.4%
Total	2.04 mil. SF	

Recommendation: Buy. Given DRE's new structure and strong portfolio, we believe that the market will price the stock to yield around 8%-9% once the dividend confusion ends. At the current \$0.68 dividend, that would put that stock at \$7.50-\$8.50. We don't see dividends increasing much more than 3% over the next year. But we believe DRE will generate a substantial total return for investors taking advantage of today's market confusion.

RANK	NAME (REVIEW DATE)	EXCH/ SYMBOL GROUP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE FROM SEP 21 JAN 1	P/E RATIO	% ANN YIELD	% PR TO BK	RETURN ON BKZ	MKT VAL MIL \$		
B	AMER HEALTH PROP# (04/08/88)	NY-AHE	2	11086	18.71	2.12 U SEP	2.09 S	19.13	7.0	28.6	9.2	11.1	2.2	11.2	212.0
C	AMERICAN REALTY (05/13/88)	NY-ARB	4	21728	6.58	0.60 S SEP	1.86 D	4.38X	3.4	-2.8	2.4	13.7	-33.5	28.3	95.1
B	ANGELL REAL EST# (04/08/88)	NY-ACR	2	3622	13.86	1.52 SEP	1.72	9.63X	-6.9	-3.8	5.6	15.8	-30.6	12.4	34.9
*	B-B RL EST INV # (03/25/88)	AS-BBR	1	6412	6.66	0.26 S JUN	0.28	3.63	3.6	-39.6	12.9	7.2	-45.6	4.2	23.2
C	BEVERLY INV PROP# (04/08/88)	NY-BIP	2	8195	19.77	1.60 S SEP	2.32 D	13.00	1.0	-29.7	5.6	12.3	-34.2	11.7	106.5
*	BODDIE-NOEL PROP# (05/22/87)	AS-BNP	2	2850	11.42	1.36 U SEP	1.38 U	12.38X	2.7	17.9	9.0	11.0	8.4	12.1	35.3
A	BRADLEY RL EST (07/08/88)	OC-BRLYS	1	3360	2.68	0.68 S MAY	1.44	13.00	0.0	23.8	9.0	5.2	385.1	53.7	43.7
A	BRE PROPERTIES # (07/08/88)	NY-BRE	1	7867	19.52\$	2.40 JUL	2.23	30.50	-1.6	14.0	13.7	7.9	56.3	11.4	239.9
B	BRT REALTY (05/13/88)	NY-BRT	4	7203	14.50	2.48 JUN	2.54	18.88	1.3	15.3	7.4	13.1	30.2	17.5	136.0
B	BURNHAM PAC PROP# (10/14/88)	AS-BPJ	1	4144	13.04	1.32 SEP	1.22	19.75	5.3	23.4	16.2	6.7	51.5	9.4	81.8
B	P-CALIF JOCKEY CLUB (08/12/88)	AS-CJJ	1	5773	4.34	1.00 JUN	0.76	16.50	-5.0	-2.2	21.7	6.1	280.2	17.5	95.3
C	CALIFORNIA REI (03/11/88)	NY-CED	1	4982	6.60	0.40 U JUN	-1.00	5.13X	13.0	13.9	0.0	7.8	-22.3	-15.2	25.5
*	F-CEDAR INC FUND I# (01/09/87)	OC-CEDR	1	1440	8.53\$	0.64 S JUN	0.51	7.50X	2.1	7.1	14.7	8.5	-12.1	6.0	10.8
*	CENTRAL REALTY (05/13/88)	OC-CMRT	3	1984	0.13	0.00 JUN	-0.26	0.25	0.0	33.0	0.0	0.0	92.3	-200.0	0.5
B	CENVILL INVSTR (05/13/88)	NY-CVI	3	6883	12.97	2.20 JUN	2.05	17.00	1.5	0.0	8.3	12.9	31.1	15.8	117.0
B	CHICAGO DOCK&CANL (07/08/88)	OC-DOCKS	1	5784	6.49	0.24 JUL	0.05	25.13	2.6	25.6	502.5	1.0	287.1	0.8	145.3
C	CLEVELAND TRST RLY# (08/12/88)	OC-CTRIS	3	1971	18.09	0.00 JUN	0.38	6.25	-10.7	-13.8	16.4	0.0	-65.5	2.1	12.3
C	COLUMBIA RE INVST (09/09/88)	AS-CIV	4	5916	9.17	0.88 JUN	0.91	6.63	-1.9	23.3	7.3	13.3	-27.8	9.9	39.2
B	COPELY PROPS # (05/13/88)	AS-COP	3	4008	17.46\$	1.68 S JUN	1.63	18.50X	6.6	9.6	11.3	9.1	6.0	9.3	74.1
C	COUNTRYWIDE MTG (09/09/88)	NY-CWM	4	13245	8.96	0.80 S SEP	0.91 D	5.63X	-6.8	-18.2	6.2	14.2	-37.2	10.2	74.5
A	COUSINS PROPS (07/08/88)	OC-COUS	1	17347	6.51	0.60 JUN	0.62	15.50	3.3	24.0	25.0	3.9	138.1	9.5	268.9
*	F-CRI INS MTG II (05/13/88)	NY-CII	4	8536	15.89	1.40 JUN	1.85	14.75	9.3	-6.3	8.0	9.5	-7.2	11.6	125.9
B	DEL-VAL FINCL (05/13/88)	NY-DVL	4	3910	10.72	1.80 JUN	1.79	17.00X	1.6	-1.4	9.5	10.6	58.6	16.7	66.5
*	DIAL REIT INC # (01/09/87)	OC-DEAL	1	1755	18.01	1.64 S JUN	1.58	17.25X	3.9	0.0	10.9	9.5	-4.2	8.8	30.3
B	DUKE RLTY INVST # (06/26/87)	NY-DRE	1	8594	7.21\$	0.68 MAR	0.60	6.00	2.1	-5.9	10.0	11.3	-16.8	8.3	51.6
B	EASTGROUP PROPS (04/08/88)	AS-EGP	1	2539	18.88	2.60 JUN	3.51	23.38X	-4.4	10.0	6.7	11.1	23.8	18.6	59.3
B	EASTOVER CORP (05/13/88)	OC-EASTS	3	1175	13.98	1.60 JUN	1.90	13.25X	-0.7	-0.9	7.0	12.1	-5.2	13.6	15.6
*	EMERALD MTG INVST (09/23/88)	NY-EIC	4	8000	9.22	0.96 ---	0.00	8.88X	-4.1	-11.3	0.0	10.8	-3.7	0.0	71.0
B	F-EQK RLTY INV I # (10/14/88)	NY-EK	1	7589	14.51\$	1.56 JUN	1.70 U	12.50	-3.8	5.3	7.4	13.3	-13.9	11.7	94.9
A	FEDERAL REALTY# (10/14/88)	NY-FRT	1	13730	10.33	1.32 JUN	1.43	20.63	1.2	3.8	14.4	6.4	99.7	13.8	283.2
C	FIRST CONTNL REIT (05/13/88)	OC-FCRES	4	4103	3.45	0.00 MAY	-2.33	0.75	71.6	-14.3	0.0	0.0	-78.3	-67.5	3.1
A	FIRST UNION RE# (10/14/88)	NY-FUR	1	18115	9.16	1.50 SEP	1.63 S	18.88X	2.7	4.1	11.6	7.9	106.1	17.8	341.9
*	GOLDEN CORRAL # (05/13/88)	OC-GCRA	2	1480	9.23	1.00 S JUN	1.15	9.25X	2.7	12.1	8.0	10.8	0.2	12.5	13.7
B	F-GRUBBELL REIT (10/09/87)	OC-GRIT	5	2500	9.09\$	0.90 SEP	0.74 D	7.13	-5.0	9.6	9.6	12.6	-21.6	8.1	17.8
A	HEALTH CARE PR# (08/12/88)	NY-HCP	2	8165	21.96	2.71 U SEP	2.80 D	26.38X	-0.7	-4.1	9.4	10.3	20.1	12.8	215.4
B	HEALTH CARE REIT (04/08/88)	AS-HCN	4	5903	12.08	1.52 D SEP	1.86 D	12.00X	-18.8	-20.0	6.5	12.7	-0.7	15.4	70.8
B	HEALTHVEST # (04/08/88)	AS-HVT	2	11661	19.94	2.60 U SEP	2.66 U	19.25X	0.8	2.7	7.2	13.5	-3.5	13.3	224.5
C	HLTH & REHAB PRP# (04/08/88)	NY-HRP	2	9998	8.81	1.12 S JUN	1.12	8.75X	0.3	7.7	7.8	12.8	-0.7	12.7	87.5
C	HMG/COURTLND PROP (05/13/88)	AS-HMG	1	1212	22.75	0.60 JUN	7.50	12.75	-1.9	39.7	1.7	4.7	-44.0	33.0	15.5
C	P-HOLLYWOOD PK RLTY (08/12/88)	OC-HTRFZ	1	3956	4.90	0.00 JUN	-1.61	23.00	9.5	55.9	0.0	0.0	369.4	-32.9	91.0
B	P-HOTEL INVESTORS# (07/08/88)	NY-HOT	1	12129	16.70	2.00 JUN	0.72 D	10.25X	-10.4	-32.8	14.2	19.5	-38.6	4.3	124.3
A	HRE PROPERTIES (10/14/88)	NY-HRE	1	5984	22.49	1.80 JUL	1.28	25.63X	5.9	21.3	20.0	7.0	13.9	5.7	153.3
B	ICM PROP INVSTR # (05/13/88)	NY-ICM	3	5550	14.98	1.36 S SEP	1.12 D	9.38X	-0.4	11.9	8.4	14.5	-37.4	7.5	52.0
*	INCOME OPP RLTY # (12/24/87)	AS-IOT	3	3692	17.03	1.00 JUN	0.92 D	9.50	2.7	7.0	10.3	10.5	-44.2	5.4	35.1
A	INTL INCOME PR# (10/14/88)	AS-IIP	1	11528	8.05\$	1.04 MAR	0.73	13.50	0.0	-1.8	18.5	7.7	67.7	9.1	155.6
*	INVG MTG SECS (05/13/88)	OC-INVG	4	682	30.84	1.40 JUN	-1.17	8.50	-2.9	30.8	0.0	16.5	-72.4	-3.8	5.8
A	IRT PROPERTY CO# (10/14/88)	NY-IRT	1	9638	11.27	1.40 JUN	1.86	18.00	0.7	13.4	9.7	7.8	59.7	16.5	173.5
B	JMB REALTY (02/13/87)	OC-JMBRS	3	1423	16.30\$	1.40 S MAY	0.84	16.00X	-3.8	33.3	19.0	8.8	-1.8	5.2	22.8
C	F-JOHNSTWN/CONS RL# (09/09/88)	NY-JCT	3	12280	15.17	0.70 JUN	0.55 D	6.75	-5.3	10.2	12.3	10.4	-55.5	3.6	82.9
C	KOGER EQUITY INC (08/26/88)	AS-KE	1	10000	18.77	0.68 ---	0.00	18.88X	-4.2	-5.6	0.0	3.6	0.6	0.0	188.8
C	L&N HOUSING (05/13/88)	NY-LNC	5	2200	20.27	1.72 SEP	-0.75 D	17.75	-11.3	-4.1	0.0	9.7	-12.4	-3.7	39.1
*	F-LANDSING INST V (06/10/88)	OC-LANVS	1	6078	7.18	0.20 MAR	-0.05	2.00	14.3	0.0	0.0	10.0	-72.1	-0.7	12.2
*	LINCOLN NC RL FND (05/13/88)	AS-LRF	3	1998	13.13	1.48 S JUN	1.28	8.75X	-6.5	-10.3	6.8	16.9	-33.4	9.7	17.5
*	F-LINPRO SPED PROP (10/09/87)	AS-LPO	1	1856	9.08	0.00 JUN	0.46	2.50	5.3	-20.0	5.4	0.0	-72.5	5.1	4.6
B	LOHAS & NET MTG (05/13/88)	NY-LMO	4	11704	22.89	2.54 S SEP	2.54 S	19.63X	-3.6	4.7	7.7	12.9	-14.3	11.1	229.7
C	LOHAS MTG CORP (09/09/88)	NY-LMC	4	8700	20.37	2.40 SEP	2.50 D	17.50	-9.7	-4.8	7.0	13.7	-14.1	12.3	152.3
C	MDC ASSET INVSTRS (09/09/88)	NY-MIR	4	13891	15.19	2.76 D JUN	2.85	14.88X	1.5	-7.0	5.2	18.6	-2.1	18.8	206.6
*	MEDICAL PROPS # (05/22/87)	AS-MPP	2	2369	11.83	1.20 JUN	1.31 D	7.75X	-0.9	10.7	5.9	15.5	-34.5	11.1	18.4
B	MEDITRUST # (04/08/88)	NY-MT	2	15721	16.00	1.96 U JUN	2.00	18.00X	-0.7	-7.1	9.0	10.9	12.5	12.5	283.0
C	MELLON PART MTG (05/13/88)	OC-MPMTS	5	8645	9.20	1.00 U JUN	0.85	7.38X	0.0	-4.8	8.7	13.6	-19.8	9.2	63.8
B	MERRY LAND & INV (09/09/88)	OC-MERY	3	9605	6.48	0.80 SEP	0.91 S	8.25X	5.6	10.0	9.1	9.7	27.3	14.0	79.2
A	MCI PROPERTIES # (07/08/88)	NY-MCI	1	7727	17.38	1.60 AUG	1.93 D	19.13X	1.4	14.2	9.9	8.4	10.0	11.1	147.8
B	MONY RL EST INV (05/13/88)	NY-MYM	3	10639	9.26\$	0.72 AUG	0.57	8.38X	3.7	21.8	14.7	8.6	-9.6	6.2	89.1
C	MSA REALTY CORP (07/08/88)	AS-SSS	1	8590	8.46\$	1.00 JUN	0.66	9.25	1.4	10.4	14.0	10.8	9.3	7.8	79.5
B	MTG & RLTY TRUST (09/09/88)	NY-MRT	3	10650	16.92	2.00 U SEP	1.94 U	17.63X	0.7	16.5	9.1	11.3	4.2	11.5	187.7
B	MTG INVSTMT PLUS# (09/09/88)	AS-MIP	3	9020	8.56	0.80 SEP	0.83 D	7.50	-4.8	7.1	9.0	10.7	-12.4	9.7	67.7
A	NEW PLAN RLY TR# (10/14/88)	NY-NPR	1	26794	6.62\$	0.94 APR	0.75	15.00	1.7	6.2	20.0	6.3	126.6	11.3	401.9
*	F-NOONEY RLTY TR# (05/13/88)	OC-NRTI	1	867	16.65	0.40 JUN	0.33	8.75	6.1	2.9	26.5	4.6	-47.4	2.0	7.6
E	ONE LIBERTY PR# (08/12/88)	AS-OLP	2	2203	14.17	1.40 JUN	1.38	15.88	4.1	44.3	11.5	8.8	12.0	9.7	35.0
A	PENN REIT# (07/08/88)	AS-PEI	1	8175	10.53	1.60 MAY	1.57	21.88	2.3	1.2	13.9	7.3	107.7	14.9	178.8
B	PITTS & WVA RR (05/13/88)	AS-PW	2	1510	6.06	0.56 JUN	0.56	6.13	0.0	8.9	10.9	9.1	1.1	9.2	9.2
B	PRESIDNTL RL-A# (05/13/88)	AS-PDLA	3	479	3.93	1.60 JUN	1.88	14.00	-1.8	14.3	7.4	11.4	256.2	47.8	6.7
B	PRESIDNTL RL-B# (05/13/88)	AS-PDLB	3	2771	3.93	1.60 JUN	1.88	14.50	3.6	14.9	7.7	11.0	269.0	47.8	40.2
A	PROPERTY CAPITAL (08/26/88)	AS-PCT	3	9915	13.82	1.68 JUL	2.07	22.75	7.1	15.9	11.0	7.4	64.6	15.0	225.6
A	PROPERTY TR AMER# (07/08/88)	OC-PTAS	1	5062	10.47	0.80 JUN	0.89	10.00	3.9	29.0	11.2	8.0	-4.5	8.5	50.6
B	F-PRU PL CAPITAL # (07/08/88)	NY-PRT	1	11135	1.41\$	0.00 ---	0.00	1.38	10.0	37.5	0.0	0.0	-2.5	0.0	15.3
B	F-PRU RL INCOME # (07/08/88)	NY-PRTPR	1	11135	8.00	0.68 JUN	0.67	6.63	3.9	10.4	9.9	10.3	-17.2	8.4	73.8
*	RAC MTG INVESTMT (09/23/88)	AS-RMR	4	14200	9.16	1.44 D SEP	1.71	9.50X	-0.1	-5.0	5.6	15.2	3.7	18.7	134.9
B	REALTY REFUND (06/12/87)	NY-RRF	4	1021	16.28	1.69 JUL	1.33	14.88	-0.8						

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RANK	NAME (REVIEW DATE)	EXCH/ SYMBOL GROUP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE SEP 21	FROM- JAN 1	P/E RATIO	% ANN YIELD	% PR TO BK	RETURN ON BK	MKT VAL MIL \$	
B	F-SIERRA RE EQ83#	(11/07/86) OC-SETE	1	3055	7.655	0.25	JUN 0.33 D	6.00X	3.2	-7.7	18.2	4.2	-21.6	4.3	18.3
B	F-SIERRA RE EQ84#	(11/07/86) OC-SETE	1	4887	7.255	0.10	S JUN 1.06 D	6.50X	0.4	36.8	6.1	1.5	-10.3	14.6	31.8
B	SIZELER PROP INV#	(07/08/88) NY-SIZ	1	3734	18.92	1.56	JUN 1.53 D	16.00	3.2	-5.2	10.5	9.8	-15.4	8.1	59.7
C	STORAGE EQUITIES	(10/14/88) NY-SEQ	1	10943	14.88	1.40	JUN 0.91	11.13	-4.3	3.5	12.2	12.6	-25.2	6.1	121.7
B	STRATEGIC MGT	(05/13/88) NY-STM	4	5465	18.48	1.64	SEP 2.01 D	13.00	-14.0	-12.6	6.5	12.6	-29.7	10.9	71.0
*	TIS MGT INVTMT	(09/23/88) NY-TIS	4	7600	9.30	0.00	---	0.00	10.00	0.0	0.0	0.0	7.5	0.0	76.0
C	F-TRAML CROW REIT#	(07/08/88) NY-TCR	1	9075	11.745	1.26	S JUN 1.37 D	9.00	4.3	10.8	6.6	14.0	-23.3	11.7	81.7
C	F-TRAVELERS REIT	(09/09/88) OC-TRATS	5	2523	8.92	0.68	S JUN 0.13	7.00X	10.3	16.7	53.8	9.7	-21.5	1.5	17.7
C	F-TRAVELERS RLY INC	(09/09/88) OC-TRIS	5	2132	11.855	0.64	S JUN 0.15	9.75X	32.1	11.4	65.0	6.6	-17.7	1.3	20.8
*	TURNER EQUITY#	(10/09/87) AS-TEQ	1	5067	7.75	0.44	S SEP 0.44 D	6.38X	1.7	18.6	14.5	6.9	-17.7	5.7	32.3
A	UNIV HEALTH RLT#	(08/12/88) NY-UHT	2	7181	13.80	1.40	SEP 1.53 U	12.00	0.0	26.3	7.8	11.7	-13.0	11.1	86.2
B	USD RL EST INV#	(06/12/87) AS-URT	1	2500	9.165	1.00	JUN 1.96 D	8.13	-1.5	-4.4	4.1	12.3	-11.3	21.4	20.3
A	UTD DOMINW RLT#	(10/14/88) OC-UDRT	1	8268	12.60	1.16	U JUN 1.14 U	18.38X	5.9	7.3	16.1	6.3	45.8	9.0	151.9
*	F-VMS MGT INVTMT	AS-VHT	5	9863	8.73	0.90	S JUN 0.97	7.13X	1.4	14.0	7.3	12.6	-18.4	11.1	70.3
*	VMS S/T INCOME	AS-VST	4	6918	9.16	1.16	S JUN 1.29	8.25X	-2.4	-12.0	6.4	14.1	-9.9	14.1	57.1
*	VMS STRATEGIC LAND	(05/22/87) OC-VLANS	5	11994	8.67	1.20	S JUN 1.17	8.00X	-2.4	-11.1	6.8	15.0	-7.7	13.5	96.0
A	WASH RE (WRIT)#	(10/14/88) AS-WRE	1	9185	8.91	1.40	JUN 1.46	27.25	0.5	19.1	18.7	5.1	205.8	16.4	250.3
*	WEDGESTONE FINCL	(09/09/88) NY-WDG	4	5794	8.97	1.20	S JUN 1.43	6.88X	1.5	-39.6	4.8	17.5	-23.4	15.9	39.8
A	WEINGARTEN RLT#	(10/14/88) NY-WRI	1	13962	13.22	1.68	JUN 2.42	25.63	-4.2	13.9	10.6	6.6	93.8	18.3	357.8
C	WELLS FARGO M&E	(05/13/88) NY-WFM	3	6713	16.13	1.50	S SEP -1.75 U	17.50	5.3	-4.1	0.0	8.6	8.5	-10.8	117.5
A	WESTERN INV RE#	(10/14/88) AS-WIR	1	11969	13.19	1.28	JUN 1.33	18.63	-1.3	16.4	14.0	6.9	41.2	10.1	222.9
COMPANIES AND BUSINESS TRUSTS															
C	ABRAMS INDS INC	OC-ABRI	10	2233	7.34	0.24	JUL 0.58	5.75	-0.9	36.9	9.9	4.2	-21.7	7.9	12.8
B	LP-AMER INCOME PROP#	(08/12/88) AS-IPS	8	2000	18.53	1.40	S JUN 1.36	14.38X	-5.8	-4.2	10.6	9.7	-22.4	7.3	28.8
*	LP-AMER INS MGT B4	OC-AMAZ	9	10000	19.36	1.50	JUN 2.41	16.50	-4.3	-12.0	6.8	9.1	-14.8	12.4	165.0
B	LP-AMER RE PARTNERS	(08/12/88) NY-ACP	8	14736	17.47	2.00	JUN 0.81	16.00X	1.5	9.4	19.8	12.5	-8.4	4.6	235.8
B	AMERIBANC INV GP	(08/28/87) OC-AINVS	10	6142	9.11	0.22	JUN 1.09	1.01	-11.25	-4.3	55.2	10.3	23.5	12.0	69.1
*	AMERICANA HOTEL	(04/08/88) NY-AHR	L	4920	16.48	0.00	JUN 0.24	13.50	-2.7	54.3	56.3	0.0	-18.1	1.5	66.4
C	AMREP CORP	(06/10/88) NY-AXR	7	6609	10.04	0.00	JUL 0.19	9.00	20.0	-8.9	47.4	0.0	-10.4	1.9	59.5
C	ANGELES CORP	AS-ANG	11	3375	5.49	0.00	JUN -0.66	6.13	2.1	8.9	0.0	0.0	11.6	-12.0	20.7
*	LP-ANGELES FINC PTRS	AS-ANF	9	1051	18.21	2.27	D JUN 1.91	15.63X	-1.5	5.0	8.2	14.5	-14.2	10.5	16.4
C	BAY FINCL CORP	(06/10/88) NY-BAY	8	3906	9.435	0.00	JUN -6.52	12.75	-14.3	-10.5	0.0	0.0	35.2	-69.1	49.8
C	LP-BURGER KING INV #	(04/08/88) NY-BKP	8	4635	17.98	1.80	D JUN 1.83	14.00	-2.6	6.7	7.7	12.9	-22.1	10.2	64.9
C	LP-CAL FED INC PTR#	(08/12/88) NY-CFI	8	12799	8.17	1.00	S JUN 0.67 D	6.63X	1.9	0.0	9.9	15.1	-18.9	8.2	84.8
C	CALPROP CORP	(11/21/86) AS-CPF	7	3797	9.18	0.00	SEP 1.06 D	7.63	-1.6	17.3	7.2	0.0	-16.9	11.5	29.0
C	CALTON INC	(06/10/88) NY-CN	7	24144	2.57	0.00	AUG 0.65 D	2.75	-12.0	15.8	4.2	0.0	7.0	25.3	66.4
*	CASTLE & COKE	NY-CKE	10	59200	12.40	0.00	JUN 2.10	28.13	2.3	52.0	13.4	0.0	126.8	16.9	1665.0
*	CENTENNIAL GROUP	(07/24/87) AS-CEQ	10	26202	5.575	0.00	JUN 0.42	4.00	3.2	23.1	9.5	0.0	-28.2	7.5	104.8
A	CENTEX CORP	(06/10/88) NY-CTX	6	15061	24.60	0.25	JUN 1.85	28.38	-1.7	64.5	15.3	0.9	15.3	7.5	427.4
C	CHAMPION ENTRPRS	(10/10/86) AS-CHE	12	7223	6.35	0.00	AUG 0.84 D	4.00	10.3	23.1	4.8	0.0	-37.0	13.2	28.9
D	CHRISTIANA COS	NY-CST	7	5700	5.11	0.00	JUN -0.20 U	6.13	-2.0	44.1	0.0	0.0	19.9	-3.9	34.9
B	CLAYTON HOMES	(10/10/86) NY-CMH	12	15654	4.51	0.00	SEP 0.90 U	9.50	5.6	31.9	10.6	0.0	110.6	20.0	148.7
*	LP-CMNLTH MGT AM-A	(11/21/86) NY-CMA	9	35000	0.73	1.05	JUN -0.82 U	3.50X	-8.8	-12.5	0.0	30.0	379.5	-112.3	122.5
*	COMMODORE ENV SVC	(09/25/87) OC-COES	13	46030	0.32	0.00	JUN -0.15	0.88	-22.2	-61.1	0.0	0.0	173.4	-46.9	40.3
C	COMMONWLT MGT CO	(10/24/86) OC-CMC	9	5878	3.92	0.00	JUL 0.56 U	4.50	2.9	5.9	8.0	0.0	14.8	14.3	26.5
B	CONGRESS ST PROPS	OC-GSTP	10	1175	12.21	0.00	MAY -1.50	6.50	2.0	0.0	0.0	0.0	-46.8	-12.3	7.6
*	F-CONSOL CAP INCOME	OC-CCITS	L	11362	14.06	0.75	JUN -1.32	5.75	4.5	0.0	0.0	13.0	-59.1	-9.4	65.3
*	CONSOL CAP RLT#	(02/13/87) OC-CCPLS	L	5966	4.43	0.00	MAY -0.54 D	1.63	-35.0	-48.0	0.0	0.0	-63.3	-12.2	9.7
*	F-CONSOL CAP SPECL	OC-CCSTS	L	11486	10.05	0.00	JUN -0.95	4.75	11.8	-5.0	0.0	0.0	-52.7	-9.5	54.6
C	CONTL RMS HOLDING	(05/22/87) OC-COH	7	3589	6.91	0.00	AUG 0.71 D	3.50	0.0	-17.6	4.9	0.0	-49.3	10.3	12.6
C	CONTROL RES INDS	(09/25/87) OC-CRI	13	5394	5.85	0.00	JUN -0.99	5.63	-19.6	-13.5	0.0	0.0	-3.8	-16.9	30.3
B	COUNTRYWIDE CRDIT	(09/09/88) NY-CCR	9	16644	6.13	0.27	AUG 0.64	5.75X	-8.6	0.0	9.0	4.7	-6.2	10.4	95.7
E	COVINGTON DEVLPT	OC-COVT	7	13902	0.27	0.00	JUN -0.16	0.47	-6.2	7.1	0.0	0.0	73.7	-59.3	6.5
B	LP-CRI INS MGT INV	NY-CRM	9	9100	16.80	1.79	U JUN 2.34	15.63X	1.0	-15.5	6.7	11.5	-7.0	13.9	142.2
D	DELTONA CORP	NY-DLT	7	5574	4.73	0.00	JUN 0.38	5.38	-6.5	34.4	14.1	0.0	13.6	8.0	30.0
*	LP-EMERALD HOMES LP	(05/22/87) NY-EHP	7	5225	6.30	1.36	SEP 2.39 U	9.38X	-1.6	31.6	3.9	14.5	48.8	37.9	49.0
B	LP-EQK GRN ACRES LP#	(04/08/88) NY-EGA	8	10173	8.255	1.20	JUN 1.19 U	12.63X	0.4	16.1	10.6	9.5	53.0	14.4	128.4
*	LP-EQUITABLE RE SC #	(08/12/88) NY-EQM	8	10700	8.45	1.04	JUN 1.07 D	9.13X	4.3	25.9	8.5	11.4	8.0	12.7	97.6
C	EQUITEC FNCL GP	(09/11/87) NY-EQG	11	4952	2.80	0.00	JUN -4.12	3.00	-17.2	-47.8	0.0	0.0	7.1	-147.1	14.9
C	FAIRFIELD COMM	(06/10/88) NY-FCI	7	10851	9.57	0.00	JUN -0.04	5.88	2.2	23.7	0.0	0.0	-38.6	-0.4	63.7
C	FARRAGUT MGT CO	(12/19/86) OC-FARR	9	5150	0.81	0.00	D JUN -0.20	1.13	-35.7	-25.0	0.0	0.0	38.9	-24.7	5.8
B	FED NATL MGT	(05/13/88) NY-FNM	9	78588	23.33	0.96	U SEP 6.88 U	50.63X	3.5	66.0	7.4	1.9	117.0	29.5	3978.5
C	LP-FINE RMS INTRNTL	(04/08/88) NY-FHI	11	7785	6.32	2.25	SEP 0.59 U	14.88X	1.2	35.2	25.2	15.1	135.4	9.3	115.8
B	FIRST CAROLINA	OC-FCAR	10	717	31.35	0.50	JUN 1.59	29.00	0.0	16.0	18.2	1.7	-7.5	5.1	20.8
A	FLEETWOOD ENTER	(10/10/86) NY-FLE	12	22902	15.72	0.64	JUL 2.30	25.13X	9.3	44.6	10.9	2.5	59.8	14.6	575.4
B	FOREST CITY-A#	(06/10/88) AS-FCE.A	8	4063	25.39	0.38	JUL 2.92 U	42.38	-0.9	50.0	14.5	0.9	66.9	11.5	172.2
B	FOREST CITY-B#	(06/10/88) AS-FCE.B	8	3886	25.39	0.32	JUL 2.92 U	43.13	1.2	52.0	14.8	0.7	69.9	11.5	167.6
C	LP-FORUM RET PFD UN#	(04/08/88) AS-FRL	8	5932	9.665	1.35	JUN 0.40	7.50X	-14.1	-11.8	18.8	18.0	-22.4	4.1	44.5
C	FPA CORP	AS-FPO	7	4011	9.36	0.00	JUN -1.57 D	5.25	-6.7	-14.3	0.0	0.0	-43.9	-16.8	21.1
C	GENERAL DEVLPT	(06/10/88) NY-GDV	6	8651	23.45	0.00	SEP 3.63 D	13.13	8.2	20.7	3.6	0.0	-44.0	15.5	113.5
C	GENERAL HOMES	(04/10/87) NY-GHO	6	15009	1.47	0.00	JUN -8.13	0.75	-25.0	-62.5	0.0	0.0	-49.0	-553.1	11.3
A	LP-GOULD INVSTRS LP#	(01/09/87) AS-GLP	8	1079	20.26	0.00	JUN 2.38	48.50	0.0	31.1	20.4	0.0	139.4	11.7	52.3
C	GRUBE & ELLIS	(06/10/88) NY-GEE	11	15932	5.03	0.00	SEP -0.14 D	4.75	0.0	18.8	0.0	0.0	-5.6	-2.8	75.7
B	HALLWOOD GROUP	(02/13/87) NY-HWG	10	4656	20.14	1.12	JUL 2.00 D	16.00X	1.8	10.3	8.0	7.0	-20.6	9.9	74.5
C	HAMMOND CO	OC-THCO	9	2119	5.35	0.10	JUN 0.26	3.75	0.0	7.1	14.4	2.7	-29.9	4.9	7.9
B	HOVANIAN ENTR	(06/10/88) AS-HOV	7	20937	4.81	0.00	AUG 1.21 D	7.75	8.8	0.0	6.4	0.0	61.1	25.2	162.3
D	INDIANA FNCL INV	OC-IFII	8	971	11.86	0.00	JUN 2.39 D	5.50	0.0	15.8	2.3	0.0	-53.6	20.2	5.3
C	INTEGRATED RESC	(05/13/88) NY-IRE	11	7528	19.09	0.00	JUN 2.82	15.88	-6.6	-3.8	5.6	0.0	-16.8	14.8	119.5
B	LP-INTERSTATE GEN CO	(04/08/88) AS-IGC	8	9900	3.14	0.60	JUN 1.26	6.63	-5.4	20.5	5.3	9.1	111.0	40.1	65.6
*	INTL AMER HOMES	OC-HOME	7	7947											

RANK	NAME (REVIEW DATE)	EXCH/ SYMBOL	GROUP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE FROM SEP 21 JAN 1	P/E RATIO	% ANN YIELD	% PR TO BK	RETURN ON BK	MKT VAL MIL \$	
A	LENNAR CORP (06/10/88)	NY-LEN	6	6601	21.88	0.24	S AUG 2.56 U	18.00	-9.4	8.3	7.0	1.3	-17.7	11.7	118.8
C	LEVITT CORP	AS-LVT	7	3400	8.06	0.00	JUN 0.55	6.25	0.0	13.6	11.4	0.0	-22.5	6.8	21.3
*	LOAN AMER FNCL-B	OC-LAFCB	9	1987	7.47	0.00	SEP 0.68 U	6.25	11.1	8.7	9.2	0.0	-16.3	9.1	12.4
B	LOMAS & NET FINC (05/13/88)	NY-LNF	9	29880	8.44	1.40	JUN -1.65 D	16.38	-14.4	-0.8	0.0	8.5	94.0	-19.5	489.3
C	LVI GROUP INC (09/25/87)	NY-LVI	13	19777	0.91	0.00	JUN -0.15	3.00	-4.0	-11.1	0.0	0.0	229.7	-16.5	59.3
C	M/I SCHOTNSTN HNS (10/24/86)	OC-MIHO	7	6165	2.76	0.00	SEP 0.74 D	4.75	-5.0	5.6	6.4	0.0	72.1	26.8	29.3
C	MAJOR REALTY (08/14/87)	OC-MAJR	7	7320	3.505	0.00	JUN 0.85	10.00	3.9	3.9	11.8	0.0	185.7	24.3	73.2
*	MAY DEPT STORES (02/26/88)	NY-MA	10	150027	18.51	1.28	S JUL 2.92	37.13	-0.7	27.5	12.7	3.4	100.6	15.8	5569.8
* MCA INC (02/26/88)	NY-MCA	10	72962	21.66	0.68	SEP 1.52 U	48.50	10.9	40.6	31.9	1.4	123.9	7.0	3538.7	
C MDC HOLDINGS (04/10/87)	NY-MDC	6	17394	11.57	0.20	JUN -0.53	3.13	0.0	-47.9	0.0	6.4	-73.0	-4.6	54.4	
B MISSION WEST PR	AS-MSW	7	1499	12.62	0.36	AUG 1.31 U	10.00	11.1	37.9	7.6	3.6	-20.8	10.4	15.0	
C NATIONAL ENTERPRISES (10/10/86)	NY-NEI	12	7138	1.90	0.00	JUN -1.00	1.63	8.3	18.2	0.0	0.0	-14.5	-52.6	11.6	
* LP-NATIONAL REALTY (08/12/88)	AS-NLP	8	44895	0.48	0.32	S JUN -0.66	2.63X	-9.8	-25.0	0.0	12.2	446.9	-137.5	117.8	
A LP-NEWHALL LAND (05/27/88)	NY-NHL	10	19758	6.835	1.20	U SEP 2.99 U	44.50	-6.3	48.3	14.9	2.7	551.5	43.8	879.2	
B LP-NVRNAN L.P. (03/27/87)	AS-NVR	6	24955	3.63	0.48	JUN 1.10	5.88	2.2	56.7	5.3	8.2	61.8	30.3	146.6	
A OAKWOOD HOMES (11/07/86)	NY-OH	12	5413	9.31	0.08	S JUN -0.71	8.13	32.7	10.2	0.0	1.0	-12.7	-7.6	44.0	
C ORIOLE HOMES-A (04/10/87)	AS-OHC.A	7	1936	12.55	0.45	SEP 2.47 U	10.63	-2.3	30.8	4.3	4.2	-15.3	19.7	20.6	
C ORIOLE HOMES-B (04/10/87)	AS-OHC.B	7	1913	12.55	0.50	SEP 2.47 U	10.63	3.7	41.7	4.3	4.7	-15.3	19.7	20.3	
C PACESETTER HOMES	OC-PAGE	7	1465	8.84	0.00	MAR 1.24	4.00	-15.8	-20.0	3.2	0.0	-54.8	14.0	5.9	
C PARKWAY COMPANY	OC-PKWY	10	1607	26.03	0.80	JUN 0.82 U	16.00X	-0.3	8.5	19.5	5.0	-38.5	3.2	25.7	
* PATTEN CORP (01/09/87)	NY-PAT	7	16997	4.86	0.12	JUN 0.90	4.00	-15.8	-13.5	4.4	3.0	-17.7	18.5	68.0	
B PERINI INV PR# (04/22/88)	AS-PNV	8	3930	-0.995	0.60	JUN 0.62	16.88	-2.2	9.8	27.2	3.6	0.0	0.0	66.3	
B PHM CORP	NY-PHM	6	24760	9.34	0.12	JUN 0.06	8.63	0.0	3.0	143.8	1.4	-7.7	0.6	213.6	
* LP-PRIME FINCL PRTRN (08/28/87)	AS-PPF	11	3933	0.36	0.50	JUN 0.06	3.88	-11.4	-26.2	64.6	12.9	976.4	16.7	15.2	
* LP-PRIME MTR INNS LP (02/27/87)	NY-PPM	8	4000	16.68	2.00	JUN 0.16	16.50X	-3.5	3.1	103.1	12.1	-1.1	1.0	66.0	
* PRINCEVILLE CORP	OC-PVDC	7	9684	2.59	0.00	AUG -0.06 D	14.63	-0.8	77.3	0.0	0.0	464.7	-2.3	141.6	
D PUNTA GORDA	AS-PGA	7	2905	-1.61	0.00	JUN -0.84	2.75	46.7	100.0	0.0	0.0	0.0	0.0	8.0	
E VJ-RADICE CORP (07/24/87)	NY-RI	7	5811	1.63	0.00	9/7 -3.87	0.50	0.0	-46.7	0.0	0.0	-69.3	-237.4	2.9	
C READING CO (03/25/88)	OC-RDGC	8	4957	5.60	0.00	JUN -4.11	10.75	-5.5	-8.5	0.0	0.0	92.0	-73.4	53.3	
C REALAMERICA CO	OC-RACO	8	3180	5.16	0.00	MAY 1.82	4.00	0.0	6.7	2.2	0.0	-22.5	35.3	12.7	
* LP-RED LIONS INNS # (08/12/88)	AS-RED	8	4574	17.49	2.05	S JUN 1.53	16.25X	1.6	25.0	10.6	12.6	-7.1	8.7	74.3	
* LP-RETIREMENT LIV MTG (08/12/88)	OC-RLVZ	9	1264	22.72	2.16	JUN 2.05	16.00	0.0	3.2	7.8	13.5	-29.6	9.0	20.2	
* RIDGEWOOD PROPS	OC-RWPI	8	740	45.91	0.00	MAY 0.36	35.50	1.4	14.5	98.6	0.0	-22.7	0.8	26.3	
C ROCKWOOD NATL	PS-RNC	7	9785	2.72	0.00	JUN -0.11	2.13	0.0	0.0	0.0	0.0	-21.9	-4.0	20.8	
A ROUSE CO# (06/10/88)	OC-ROUS	8	47758	5.475	0.52	JUN 0.68	24.00	11.6	23.1	35.3	2.2	338.8	12.4	1146.2	
A RYLAND GROUP (03/27/87)	NY-RTL	6	12746	11.54	0.50	JUN 2.50	16.75X	3.1	19.6	6.7	3.0	45.1	21.7	213.5	
* SANTA FE SO PAC (07/10/87)	NY-SFX	10	157023	6.18	0.10	SEP 0.22 D	18.50	-6.3	-11.9	84.1	0.5	199.4	3.6	2904.9	
* SCHULT HOMES CORP (11/20/87)	OC-SHCO	12	3301	1.41	0.00	SEP -0.11 U	2.25	-10.0	50.0	0.0	0.0	59.6	-7.8	7.4	
C SECURITY CAPITAL (02/13/87)	AS-SCG	9	5477	-2.84	0.00	JUN -11.00	1.00	-27.3	-55.6	0.0	0.0	0.0	0.0	5.5	
* LP-SHOPCO LAURL CTR# (08/12/88)	AS-LSC	8	4660	8.63	1.08	JUN 0.81	9.88X	4.1	33.9	12.2	10.9	14.4	9.4	46.0	
B SKYLINE CORP (10/10/86)	NY-SKY	12	11217	12.85	0.48	AUG 1.22	16.00	8.5	23.1	13.1	3.0	24.5	9.5	179.5	
D SOUTHLAND FINCL (05/27/88)	OC-SFIN	8	16772	4.05	0.00	JUN -2.93	0.75	-20.0	-52.0	0.0	0.0	-81.5	-72.3	12.6	
C SOUTHWEST CORP (04/22/88)	NY-SM	10	45218	5.98	0.00	JUN -3.60 D	2.38	5.6	-48.6	0.0	0.0	-60.3	-60.2	107.4	
D LP-SOUTHWEST RLTY#	AS-SWL	8	3442	6.015	0.00	JUN 0.09	1.13	-10.0	-25.0	12.5	0.0	-81.3	1.5	3.9	
C STARRETT HOUSING	AS-SHO	7	5803	3.72	0.00	JUN -0.87	6.63	0.0	-8.6	0.0	0.0	78.1	-23.4	38.4	
B LP-STD PACIFIC L.P.	NY-SPF	6	26955	6.45	1.20	S SEP 2.02 U	12.00	15.7	50.0	5.9	10.0	86.0	31.3	323.5	
C TIERCO GP INC	OC-TIER	8	2126	6.53	0.00	JUN -1.54 D	5.75	-9.8	4.5	0.0	0.0	-11.9	-23.6	12.2	
C TOLL BROS	NY-TOL	6	30041	2.21	0.00	JUL 0.78	4.88	-4.9	-7.1	6.3	0.0	120.6	35.3	146.4	
B LP-UDC-UNIVRSL DEV	NY-UDC	7	9346	7.62	2.40	JUN 3.38	19.00	1.3	38.2	5.6	12.6	149.3	44.4	177.6	
B UNICORP AMER (07/10/87)	AS-UAC	10	17300	8.35	0.30	JUN -1.06	6.63	1.9	29.3	0.0	4.5	-20.7	-12.7	114.6	
C UNION VALLEY CORP (09/26/86)	AS-UVC	7	4759	4.98	0.00	JUN 0.80 D	7.75	-21.5	37.8	9.7	0.0	55.6	16.1	36.9	
C US HOME CORP (04/10/87)	NY-UH	6	39901	4.47	0.00	JUN -1.19	2.13	0.0	-29.2	0.0	0.0	-52.5	-26.6	84.8	
* LP-US REALTY PTNRS# (09/26/86)	OC-USRLZ	8	1222	17.42	2.26	JUN 2.08	8.00	-22.0	-36.0	3.8	28.3	-54.1	11.7	9.8	
* US SHELTER CORP	OC-USSS	11	9528	-0.70	0.00	JUN -2.97	0.88	27.4	-36.4	0.0	0.0	0.0	0.0	8.3	
* LP-VMS MORTGAGE INV	OC-VMLPZ	9	7629	9.07	1.08	JUN 1.21	7.75X	6.9	-6.1	6.4	13.9	-14.6	13.3	59.1	
C VYQUEST INC	AS-VY	12	3522	2.67	0.00	AUG -4.37 D	1.25	-23.1	-33.3	0.0	0.0	-53.2	-163.7	4.4	
C WASHINGTON CORP	PH-TWC.X	7	1869	4.95	0.13	JUN 1.06	6.75	10.2	50.0	6.4	1.9	36.4	21.4	12.6	
C WEBB (DEL) CORP	NY-WBB	10	9216	8.04	0.00	JUN -10.33	12.75	-6.4	72.9	0.0	0.0	58.6	-128.5	117.5	
* LP-WINTHROP INS MTG	AS-WMI	9	3868	12.62	1.28	S JUN 1.68	12.50X	0.5	-2.0	7.4	10.2	-1.0	13.3	48.4	
B WRITER CORP (04/10/87)	OC-WRTC	7	4118	4.37	0.00	JUN -3.76 D	0.81	30.1	-48.0	0.0	0.0	-81.4	-86.0	3.3	

COMPARATIVE REALTY STOCK GROUP AVERAGE 10/26/88

GROUP NUMBER & NAME	DIV	NON-DIV	TOTAL	SHARE (000)	BOOK VALUE	ANNUAL DIV	EARN ANN	LAST PRICE	% CHANGE FROM SEP 21	JAN 1	P/E RATIO	ANNUAL YIELD	% PR TO BK	RETURN ON BK	MARKET VAL (000)
1 PROPERTY REITS	45	3	48	7595	10.86	1.00	1.08	14.19	1.0	10.0	13.1	7.0	30.7	10.0	5536.3
2 LEASEBACK REITS	13	0	13	6619	14.27	1.58	1.69	13.65	0.9	5.0	8.1	11.6	-4.3	11.9	1361.4
3 PROP & MTG COMB REITS	16	2	18	5598	12.13	1.23	1.04	12.01	1.0	8.6	11.5	10.2	-1.0	8.6	1243.4
4 MORTGAGE REITS	19	3	22	7750	12.71	1.33	1.21	10.63	-3.4	-5.3	8.8	12.5	-16.4	9.6	1793.2
5 PARTICIPATING MTG REITS	12	0	12	8594	10.95	1.04	0.74	9.46	-0.7	1.5	12.9	11.0	-13.6	6.7	1237.9
REIT AVERAGE			113	7301	11.82	1.17	1.13	12.59	0.1	6.8	11.1	9.3	6.4	9.9	11172.3
6 MAJOR HOMEBUILDERS	8	4	12	20781	10.70	0.27	0.53	10.31	0.3	19.7	19.4	2.7	-3.6	5.0	2130.0
7 OTHER BLDG/DEVELOPERS	7	24	31	7294	5.81	0.17	0.48	6.42	0.8	19.9	13.4	2.7	10.5	8.3	1390.4
8 INCOME PROP BLDG/OWNR	19	10	29	9000	12.22	0.85	0.55	14.97	-0.9	15.9	27.3	5.7	22.6	4.5	3590.2
9 MORTGAGE BANKER/FINANCE	11	4	15	14242	10.14	0.92	0.46	11.79	-1.3	8.8	25.4	7.8	16.3	4.6	5195.4
10 DIVERSIFIED RLTY&HOLDING	12	5	17	35594	12.73	0.42	0.01	18.76	0.4	26.3	1386.4	2.2	47.3	0.1	15655.1
11 RLTY SVCS/STNDICATORS	2	6	8	8103	4.98	0.34	-0.83	6.19	-3.7	-2.7	0.0	5.6	24.3	-16.7	371.6
12 MANUFACTURED HOUSING	3	5	8	9546	6.84	0.15	-0.12	8.48	9.3	28.2	0.0	1.8	24.0	-1.7	999.9
13 ASBESTOS ABATEMENT CO	0	4	4	25719	2.29	0.00	-1.27	3.53	-5.0	-18.1	0.0	0.0	54.0	-55.2	276.4
OTHER REALTY STOCKS AVERAGE			124	14510	9.15	0.25	0.26	11.16	-0.0	18.0	43.7	4.2	22.0	5.1	29609.0
L LIQUIDATING COMPANIES	1	3	4	8434	11.26	0.19	-0.64	6.41	-1.9	13.3	NC	NC	-43.1	NC	196.0
OVERALL AVERAGE			241	11073	10.43	0.80	0.67	11.84	0.0	12.0	17.5	6.8	13.6	7.7	40977.3
DOW JONES INDUSTRIALS							168.54	2165.18	3.6	11.7	12.8	3.6			
STANDARD & POOR'S 500							21.70	281.38	4.2	13.9	13.0	3.6			
DOW JONES UTILITIES							18.96	186.88	4.1	6.7	9.9	8.1			

SYMBOLS & ABBREVIATIONS

RANKINGS: "A" (highest) to "E" lowest. "N" = Not Ranked.
 New EPS or Dividend: U=Up